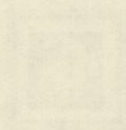


HART SCHAFFNER & MARX



Twenty-third Annual Report *November 30, 1933*

HART SCHAFER & MARR



University of Toronto

November 10, 1973

HART SCHAFFNER & MARX

CHICAGO

NEW YORK

New York, January 22, 1934

To the Stockholders
of Hart Schaffner & Marx

On behalf of your Board of Directors we submit the financial statement of your company for the fiscal year ending November 30, 1933, together with the report of your auditors, Messrs. Price, Waterhouse & Company

The operations of the company continue to show the effects of the severe depression. There is, however, encouragement in the fact that the operations for the second six months of the year showed substantial improvement

In its actual operations and that of its subsidiaries and affiliates a loss for the year of \$683,654.70 was incurred. After giving effect to this loss, the surplus account has been reduced by an additional \$1,555,012.38 by virtue of the provision in respect to the liquidating losses, and the writing off of capital assets, of subsidiaries liquidated during the year. These are non-recurring items, and inasmuch as this provision extends to such further liquidating losses as are presently contemplated, the company can look forward to its future operations with the knowledge that the process of liquidation of unprofitable units has been largely accomplished

The balance sheet shows a ratio of current assets to current liabilities of over 9 to 1. The ratio reflects in part the effect on the inventory of increased costs of material and labor

Bookings for spring delivery are substantially ahead of the same date of a year ago. Further savings have been made in administrative expense. The product of the company has met with favorable response on the part of its distributors. With a moderate resumption of business the company is in a position to operate on a more satisfactory basis than heretofore and the outlook is more favorable than it has been at any time during the last few years

MARK W. CRESAP

Chairman

ALEXANDER M. LEVY

President

BALANCE SHEET —

Assets

Current and Working Assets

Cash	\$1,068,592.37	
Chicago and Cook County Tax Warrants	14,082.99	
Notes and Accounts Receivable (less reserves), including amounts due from subsidiary companies cov- ered by net quick assets	4,402,692.29	
Inventories of materials and finished and partly finished merchandise on hand and in transit, at or be- low cost or market, whichever is lower	1,404,724.72	
Sundry accounts including \$21,009.12 due by employees	119,669.55	
Prepaid insurance, taxes, etc.	<u>107,126.22</u>	\$ 7,116,888.14

Advances in connection with pur- chase of Company's Capital Stock

Directors and officers	None	
Employees (less reserve)	<u>\$33,327.66</u>	33,327.66

Investments in, and advances to sub- sidiary companies, less reserve

576,041.61

Company's Capital Stock held in Treasury

At par — 2,981 shares	\$298,100.00	
At cost — 2,824 shares	<u>31,788.39</u>	329,888.39

Shop Equipment and Fixtures, including Office Furniture, Less—Depreciation Reserve

\$1,187,856.58	
<u>891,571.05</u>	296,285.53

Good Will, Trade Names and Trade Marks

<u>10,000,000.00</u>
<u><u>\$18,352,431.33</u></u>

NOVEMBER 30, 1933

Liabilities

Current Liabilities

Note payable to bank		\$300,000.00	
Trade accounts payable		191,942.58	
Liability for goods in transit		85,466.73	
Accrued pay rolls, etc.		83,341.63	
Accrued taxes	\$187,355.27		
Less—Amount deposited in escrow thereagainst	<u>86,740.11</u>	<u>100,615.16</u>	\$761,366.10

Capital Stock

Common—Authorized and issued 150,000 shares of \$100.00 each	15,000,000.00
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Reserve for contingencies	1,500,000.00
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Surplus per accompanying statement	<u>1,091,065.23</u>
	<u><u>\$18,352,431.33</u></u>

SURPLUS AND PROFIT AND LOSS ACCOUNT

FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1933

Loss of parent company for the year,

After providing for manufacturing, marketing
and administrative expenses, depreciation
of equipment and doubtful accounts

\$ 250,235.55

Add—

Provision in respect of net operating losses
of subsidiary companies for the year

433,419.15

\$ 683,654.70

Losses—

In respect of Capital Assets, etc., written off by
Subsidiary Companies liquidated during
the year and provision for anticipated
losses on Capital Assets, etc. of Subsidiary
Companies to be liquidated

1,555,012.38

Total loss for the year

\$2,238,667.08

Surplus at November 30, 1932

3,329,732.31

Unappropriated Surplus

At November 30, 1933

\$1,091,065.23

Report of Accountants

To the Stockholders of
Hart Schaffner & Marx

We have made an examination of the Balance Sheet of Hart Schaffner & Marx as at November 30, 1933, and of the Statement of Surplus and Profit and Loss Account for the fiscal year ending on that date. In connection therewith, we examined or tested accounting records of the Company and other supporting evidence, and made a general review of the accounting methods and of the operating and profit and loss accounts for the year, but we did not make a detailed audit of the transactions

We have been furnished with statements relating to the accounts of the subsidiary companies as of November 30, 1933, certified by the officers thereof. We have carefully reviewed these statements and have attended at the offices of a number of the principal subsidiaries in order to make a general review for the purpose of substantiating the correctness of the information furnished us

The accompanying Balance Sheet includes the Assets and Liabilities of the parent company, the investments in and advances to subsidiary companies being stated as such in the Balance Sheet after making provision for losses of such companies to November 30, 1933, and for anticipated losses which may be incurred in connection with subsidiary companies to be liquidated

In our opinion, based upon such examination and review and upon explanations furnished to us, the accompanying Balance Sheet and related Surplus and Profit and Loss Account fairly present, in accordance with accepted principles of accounting consistently followed by the Company, its position at November 30, 1933, and the results of its operations for the year

PRICE, WATERHOUSE & CO.

Chicago, January 19, 1934

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THE HISTORY OF THE

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